

**CITY OF REPUBLIC**  
**Ferry County, Washington**  
**January 1, 1994 Through December 31, 1994**

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**Schedule Of Findings**

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1. Expenditures At The City Of Republic Should Be Paid In Accordance With The Revised Code Of Washington

Our audit of expenditures at the City of Republic disclosed that the city occasionally uses treasurer's checks to pay claims and payroll expenses, and that these claims are not approved by the governing body.

RCW 35A.12.170 states in part:

All demands against a code city shall be presented and audited . . . and upon allowance of a demand, the clerk shall draw a warrant upon the treasurer for it . . . payment may be made by a bank check when authorized by the legislative body of the code city under authority granted by RCW 35A.40.020 . . . .

The city has not met the requirements to issue checks under authority granted by RCW 35A.40.020 which states in part:

A code city, by ordinance, may adopt a policy for the payment of claims or other obligations of the city, which are payable out of solvent funds . . . .

RCW 35.23.330 states in part:

No claim shall be allowed against the city by the city council, nor shall the city council order any warrants to be drawn except at a general meeting of the council.

When claims are paid without the use of warrants which are audited and approved at a general meeting of the council, there is no assurance that the payments are legitimate expenditures of the city.

The clerk and mayor were unaware that all claims must be paid by warrant.

We recommend that the City of Republic draw warrants for claims against the city based on claims approved at a general meeting of the council.

2. The City Of Republic Should Monitor Its Budget To Ensure That Expenditures Are Within Budget Appropriations

We found that the city's expenditures exceeded appropriations for 1994 as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Amount Exceeded</u>
Current Expense	\$211,618	\$220,669	\$ 9,051
Water/Sewer	\$145,723	\$152,253	\$ 6,530
Reserve Water/Sewer	\$ 9,600	\$ 17,762	\$ 8,162
Reserve Garbage	\$ 300	\$ 370	\$ 70
Garbage	\$104,900	\$123,230	\$18,330

RCW 35.33.121 states in part:

. . . the expenditures of a city or town funds or the incurring of current liabilities on behalf of the city or town shall be limited to . . . the total amount appropriated for each fund in the budget for the current fiscal year . . . .

RCW 35.33.125 states in part:

The Clerk shall issue no warrant and the city or town legislative body or other authorized person shall approve no claim for an expenditure in excess of the total amount appropriated for any individual fund . . . .

We recommend that the city monitor its budget so that expenditures will not exceed appropriations.